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January 7, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Cambridge Electric Light Company/Commonwealth Electric Company d/b/a
NSTAR Electric, D.T.E. 02-80B, Proposed Procedural Schedule

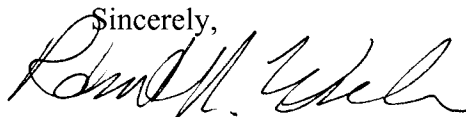
Dear Secretary Cottrell:

Cambridge Electric Light Company/Commonwealth Electric Company d/b/a NSTAR Electric (the "Companies") and the Attorney General (together, the "Parties") hereby file with the Department of Telecommunications and Energy (the "Department") an update on the status of settlement discussions in the above-captioned matter. By letter of November 26, 2003, the Parties had asked the Department for time to conduct settlement negotiations and either to file a Settlement Agreement by January 9, 2004 or to report back on the status of the negotiations. The Department granted the request and scheduled a procedural conference for January 7, 2004.

The Parties continue to believe that a settlement of most, if not all, issues in this matter remains highly likely, but that more time is needed to complete negotiations and prepare settlement documents. Accordingly, the Parties jointly request that the Department permit settlement negotiations to proceed. The Parties request that the procedural conference scheduled for today be postponed and that they be permitted either to file a Settlement Agreement with the Department no later than January 30, 2004 or to report back by that date on the status of settlement negotiations.

Should you have any questions concerning the status of the ongoing settlement discussions between the Companies and the Attorney General, please do not hesitate to contact me or Judith Laster at 617-727-2200, extension 3431. Thank you for your attention to this matter.

Sincerely,



Robert N. Werlin

cc: Caroline Bulger, Hearing Officer
Service List